

AMENDED IN ASSEMBLY JANUARY 4, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 658

Introduced by Assembly Member Hayashi

February 25, 2009

~~An act to amend Section 41999 of the Health and Safety Code, relating to air quality. An act to add and repeal Article 14.5 (commencing with Section 18856) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 658, as amended, Hayashi. ~~Air quality: dry cleaning: grants. Taxpayer contributions: California Police Activities League (CALPAL) Fund.~~

Provisions relating to the administration of personal income taxes allow individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Police Activities League (CALPAL) Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from that return.

This bill would require that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board, the Controller, and to the Treasurer for allocation to the CALPAL, as provided.

This bill would provide that these voluntary contribution provisions are repealed on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. The bill would further provide that these provisions are repealed for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for subsequent taxable years.

~~Existing law requires the State Air Resources Board to develop and establish a grant program that provides incentives for dry cleaners in the state that utilize perchloroethylene in their operations to transition to utilizing dry cleaning systems determined by the state board, in consultation with the Office of Environmental Health Hazard Assessment, the State Water Resources Control Board, the Department of Toxic Substances Control, and any other entity the state board deems appropriate, to be nontoxic and nonsmog-forming. Existing law requires the state board to make grants available in the amount of \$10,000 to any eligible dry cleaning operation for the purchase of a professional dry cleaning system that uses a nontoxic and nonsmog-forming process, as specified.~~

~~This bill would increase the amount of each grant to \$20,000.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Article 14.5 (commencing with Section 18856) is*
2 *added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and*
3 *Taxation Code, to read:*

4
5 *Article 14.5. California Police Activities League (CALPAL)*
6 *Fund*
7

8 18856. (a) *An individual may designate on the tax return that*
9 *a contribution in excess of the tax liability, if any, be made to the*
10 *California Police Activities League (CALPAL) Fund established*
11 *by Section 18856.1. That designation is to be used as a voluntary*
12 *contribution on the tax return.*

13 (b) *The contributions shall be in full dollar amounts and may*
14 *be made individually by each signatory on a joint return.*

(c) A designation shall be made for any taxable year on the initial return for that taxable year and, once made, is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. If no designee is specified, the contribution shall be transferred to the General Fund after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) Upon another voluntary contribution designation being removed, the Franchise Tax Board shall revise the form of the return to include a space labeled the "California Police Activities League (CALPAL) Fund" to allow for the designation permitted. The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used exclusively to maintain the California Police Activities League (CALPAL) program.

(f) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18856.1. There is hereby created in the State Treasury the California Police Activities League (CALPAL) Fund to receive contributions made pursuant to Section 18856. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18856 to be transferred to the CALPAL Fund. The Controller shall transfer from the Personal Income Tax Fund to the CALPAL Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18856 for payment into that fund.

18856.2. All moneys transferred to the CALPAL Fund, upon appropriation by the Legislature, shall be allocated as follows:

1 (a) To the Franchise Tax Board and the Controller for
2 reimbursement of all costs incurred by the Franchise Tax Board
3 and the Controller in connection with their duties under this article.

4 (b) To the Treasurer for allocation to the CALPAL to be used
5 exclusively to fund programs and services of the CALPAL.

6 (1) The moneys shall be allocated by the Treasurer each year
7 to CALPAL chapters established and maintained within the state
8 pursuant to the formula established by the Franchise Tax Board
9 in accordance with paragraph (2).

10 (2) The Franchise Tax Board shall determine a formula that
11 allocates the moneys, net of reimbursement costs, collected
12 pursuant to this article among the CALPAL chapters in amounts
13 that are proportional to the relative total amounts of voluntary
14 contributions made by taxpayers within each city, county, or city
15 and county where that CALPAL chapter is located. Any
16 contributions made by a taxpayer who is located within a city,
17 county, or city and county that does not have a CALPAL chapter
18 established shall be allocated on a pro rata basis to all the
19 CALPAL chapters.

20 18856.3. (a) Except as otherwise provided in subdivision (b),
21 this article shall remain in effect only until January 1 of the fifth
22 taxable year following the first appearance of the CALPAL Fund
23 on the tax return, and as of that date is repealed, unless a later
24 enacted statute, that is enacted before the applicable date, deletes
25 or extends that date.

26 (b) If, in the second calendar year after the first taxable year
27 the CALPAL Fund appears on the tax return, the Franchise Tax
28 Board estimates by September 1 that contributions described in
29 this article made on returns filed in that calendar year will be less
30 than two hundred fifty thousand dollars (\$250,000), or the adjusted
31 amount specified in subdivision (c) for subsequent taxable years,
32 as may be applicable, then this article is repealed with respect to
33 taxable years beginning on or after January 1 of that calendar
34 year. The Franchise Tax Board shall estimate the annual
35 contribution amount by September 1 of each year using the actual
36 amounts known to be contributed and an estimate of the remaining
37 year's contribution.

38 (c) For each calendar year, beginning with the third calendar
39 year that the CALPAL Fund appears on the tax return, the
40 Franchise Tax Board shall adjust, on or before September 1 of

1 *that calendar year, the minimum estimated contribution amount*
2 *specified in subdivision (b) as follows:*

3 *(1) The minimum estimated contribution amount for the calendar*
4 *year shall be an amount equal to the product of the minimum*
5 *estimated contribution amount for the prior September 1 multiplied*
6 *by the inflation factor adjustment as specified in paragraph (2) of*
7 *subdivision (h) of Section 17041, rounded off to the nearest dollar.*

8 *(2) The inflation factor adjustment used for the calendar year*
9 *shall be based on the figures for the percentage change in the*
10 *California Consumer Price Index received on or before August 1*
11 *of the calendar year pursuant to paragraph (1) of subdivision (h)*
12 *of Section 17041.*

13 *(d) Notwithstanding the repeal of this article, any contribution*
14 *amounts designated pursuant to this article prior to its repeal shall*
15 *continue to be transferred and disbursed in accordance with this*
16 *article as in effect immediately prior to that repeal.*

17 **SECTION 1.** ~~Section 41999 of the Health and Safety Code is~~
18 ~~amended to read:~~

19 ~~41999. (a) The state board shall develop and establish a grant~~
20 ~~program that provides incentives for dry cleaners in the state that~~
21 ~~utilize perchloroethylene in their operations to transition to utilizing~~
22 ~~dry cleaning systems determined by the state board, in consultation~~
23 ~~with the Office of Environmental Health Hazard Assessment, the~~
24 ~~State Water Resources Control Board, the Department of Toxic~~
25 ~~Substances Control, and any other entity the state board determines~~
26 ~~to be appropriate, to be nontoxic and nonsmog-forming.~~

27 ~~(b) To be eligible for a grant pursuant to this section, applicants~~
28 ~~shall completely replace their perchloroethylene-based dry cleaning~~
29 ~~system with a system that the state board, in consultation with the~~
30 ~~Office of Environmental Health Hazard Assessment, the State~~
31 ~~Water Resources Control Board, the Department of Toxic~~
32 ~~Substances Control, and any other entity the state board determines~~
33 ~~to be appropriate, has determined to be nontoxic and~~
34 ~~nonsmog-forming. The state board shall determine the eligibility~~
35 ~~of grant recipients.~~

36 ~~(c) The state board shall make grants available in the amount~~
37 ~~of twenty thousand dollars (\$20,000) to any eligible dry cleaning~~
38 ~~operation for the purchase of a professional dry cleaning system~~
39 ~~that uses a nontoxic and nonsmog-forming process, as determined~~
40 ~~by the state board, in consultation with the Office of Environmental~~

1 ~~Health Hazard Assessment, the State Water Resources Control~~
2 ~~Board, the Department of Toxic Substances Control, and any other~~
3 ~~entity the state board determines to be appropriate.~~

4 ~~(d) The state board shall ensure that at least 50 percent of the~~
5 ~~grant moneys provided pursuant to this section are awarded in a~~
6 ~~manner that directly reduces air contaminants or reduces the public~~
7 ~~health risk associated with air contaminants in communities with~~
8 ~~the most significant exposure to air contaminants or localized air~~
9 ~~contaminants, or both, including, but not limited to, communities~~
10 ~~of minority populations or low-income populations, or both.~~

11 ~~(e) Commencing January 1, 2007, and every three years~~
12 ~~thereafter, the state board shall provide a report to the Legislature~~
13 ~~evaluating effectiveness of the grant program.~~

14 ~~(f) The state board shall establish a demonstration program to~~
15 ~~showcase professional nontoxic and nonsmog forming dry cleaning~~
16 ~~technologies in the state. The demonstration program shall require~~
17 ~~50 percent matching funds to cover the costs of the demonstration~~
18 ~~program. Any entity may contribute monies as matching funds,~~
19 ~~including, but not limited to, a state or federal agency, an air~~
20 ~~pollution control district or air quality management district, a public~~
21 ~~utility district, or a nonprofit entity. Not more than 30 percent of~~
22 ~~the funds deposited annually in the Nontoxic Dry Cleaning~~
23 ~~Incentive Trust Fund may be used for the demonstration program.~~